



**McHenry County
Department of Planning and Development**

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Mr. Don Kathan
Director, Community Planning and Development
U.S. Department of Housing and Urban Development
77 West Jackson Blvd., Room 2423
Chicago, IL 60604

**Re: Summary of Comments and Responses to Substantial Amendment 2 to the 2019
McHenry County Annual Action Plan for Community Development**

Dear Mr. Kathan:

The following is a summary of the comments from constituents, community members, and stakeholders regarding Substantial Amendment 2 to the 2019 McHenry County Annual Action Plan for Community Development. This amendment will inform funding decision for use of CDBG-CV-3A allocations for McHenry County. For the purposes of identifying acronyms utilized throughout this document, we are including this definition section first:

ADA – The Americans with Disabilities Act of 1990 is a civil rights law that prohibits discrimination based on disability. It is often the basis for renovations made to buildings to improve access to those with a disability.

CARES Act – The Coronavirus Aid, Relief, and Economic Security Act, which is the source of additional funding from federal programs to McHenry County.

CDBG – Community Development Block Grant Program, which is federal funding provided to McHenry County by formula allocation through the United States Department of Housing and Urban Development. It is utilized for a wide array of activities that strengthen local communities.

CoC – Continuum of Care to End Homelessness, a designation from the United States Department of Housing and Urban Development to identify a group and jurisdiction(s) designated to respond to homelessness within the jurisdiction.

CSA – Community Supported Agriculture is a system that connects the producer and consumers within the food system more closely by allowing the consumer to subscribe to the harvest of a certain farm or group of farm. Also known as chopsharing.

EIDL – Economic Injury Disaster Loans, a grant program from the Small Business Administration focused on more immediate relief from the economic effects of the COVID-19 pandemic.

ESG – the Emergency Solutions Grant Program, which is federal funding provided to McHenry County by formula allocation through the United States Department of Housing and Urban Development. It is used for more emergent responses to community homelessness and for housing interventions for homeless families and individuals.

HOME – HOME Investment Partnerships Program, which is federal funding provided to McHenry County by formula allocation through the United States Department of Housing and Urban Development. It is utilized to develop, strengthen, and expand affordable housing activities in local communities.

HUD – The United States Department of Housing and Urban Development, which is a federal cabinet-level agency administering many housing, community development, and assistance programs throughout the United States.

LLC – Limited Liability Company is the US-specific form of a private limited company. It is a business structure that can combine the pass-through taxation of a partnership or sole proprietorship with the limited liability of a corporation.

TBRA – Tenant-Based Rental Assistance. This is a form of rental support enabling a household to select their own housing unit within the community (or another community if in response to domestic violence, abuse, or stalking). The support is typically allowed for a period of 12-24 months, and requires that the client and a private landlord hold a lease agreement. The support entails that the household does not pay more than 30% of their income on housing through a rental calculation. It is commonly used for short term support. (Note: This is not the Section 8 aka Housing Choice Voucher Program, which is a separate HUD Program).

TIF – Tax-Increment Finance District, which is a localized public financing method that is used as a subsidy for redevelopment, infrastructure, and other community-improvement projects in many communities. A TIF Districts exists within the City of Woodstock, IL.

Jeanne Doyle
Doyle's Pub
Richmond, IL

I would like to be included in this Round.

The Community Development Division will ensure that the constituent is added to email blasts and Public Notices for Community Development funding. It is likely the Division will utilize an email service to ensure constituents can more easily sign up to receive notices.

Garrett Anderson
Woodstock, IL

I don't know if this particular funding batch is the right fit, but at some time I would like to explore the idea of making CDBG funds available for ADA retrofits to existing downtown buildings.

Specifically the installation of elevators, fire suppression systems or other accommodations that allow building owners greater flexibility in leasing out the upper-level spaces. These difficult-to-lease spaces are found within all of the downtowns in McHenry County.

The subject came to the fore again this past week in a steering committee meeting for the regional Comprehensive Economic Development Strategy (CEDS). Several of the goals included strengthening downtowns, both as places of commerce and as sense-of-place anchors to attract and retain a quality workforce. Another strategy considered preserving farmland for agricultural use, and reducing urban sprawl. One of the answers to each of these goals is to make it easier, either through code regulations or available capital, to reinvest in existing buildings.

We have, on several occasions over the years, pondered the creation of the City of Woodstock matching fund to facilitate these retrofits. The envisioned program would primarily focus on elevators and fire suppression systems as the two big-ticket items that can be prohibitive for the building owner when considering reinvestment. The program would likely be similar to the Façade Improvement Program, which requires a 50% match. This program has been operated through the Downtown TIF #1, which will expire at the end of 2020. Some areas of the historic Downtown Woodstock have been included in the new Downtown TIF #2, but most have not.

This brings up another potential avenue for the funds. While the 'big ticket' retrofits are important, the ability to continue our Façade Improvement Program, absent the TIF would also be helpful to the continued vitality of the Downtown. The program has spent an average of \$20,644 per year for the past 10 years. We have already received inquiries about planned projects in 2021, to which we have had to reply that the assistance will no longer be available.

CDBG-CV funds, the subject of Substantial Amendment 2, are designed by Congress to "Prevent, Prepare for, and Respond to Coronavirus."

For fire suppression and the installation of elevators, the use of CDBG or HOME funding would depend on the ultimate project goal or building use.

Depending on the proposed activity, the installation of elevators may be eligible as a general CDBG or HOME activity. For example, if a developer desired to convert the interior of a building for mixed use residential and commercial space, the addition of the elevator would be eligible as an American with Disability Act (ADA) activity, as the intent is public use of the building. Fire suppression systems may be eligible for rental housing rehabilitation projects that improve conditions for low and moderate income populations. Depending on the community, the installation of fire suppression systems may be required with any substantial renovation per State or local codes. Lastly, difficult-to-lease spaces may benefit from an economic development activity that promotes filling the vacant storefronts and spaces for job creation. The aggregate job development/retention requirements would need to be met depending on the location of the proposed project.

For environmental review purposes under the CDBG and HOME Programs, rehabilitation in core areas is the preferred strategy to help reduce potential slum and blight. The use of farmland for development, while eligible, is not commonly encouraged.

The County is piloting a Façade Rebate Program with the City of Marengo as approved through 2020 CDBG funding by the County Board. This involves a façade restoration of the front/exposed portions of commercial and industrial buildings in order to attract commerce. It can also be used for a river-facing façade if used for commercial purposes and/or to attract business. The amount of the rebate is proposed by the local community along with a rebate strategy. The strategy identifies the era or appearance that the local jurisdiction is seeking, and what level of commitment is required of the owner. This is limited to Census Tracts/Block Groups that meet the minimum requirements for a Low and Moderate Income benefit, as updated by HUD from time to time.

Julie Davis
Crystal Lake, IL

I have concern for the exhaustion and over extension that our county workers are experiencing right now. I feel like the COC has a way to go in truly working together well, covering all the gaps in service and working together as we serve the community. In many ways it feels like a competition instead of a collaboration (again, my experience is limited so I may be way off).

From the TBRA clients that I have spoken to, there seems to be a lack of understanding that they are going to be needing to be self sufficient one (or two?) years after placement. They are not getting the case work that I feel like they need to turn the corner. I would love to see the county support the funding of a few more case workers who can continually follow up with clients so that in a year, we find ourselves with the same faces, in the same situations, looking for help.

Of course this is a multi layered conversation and there is much I am unaware of... so much for brief comments. I am praying for the best way to step into the gaps that I am seeing with the limited amount of time that I have as well, but advocating for more workers feels like something I can do, as well as offering to be trained and train up a volunteer team who might be able to serve as "load-sharers" to case managers in walking with ppl as they navigate the system.

The CoC in McHenry County was formulated in the mid-1990's as a task force. Its purpose was to establish the collaborative effort needed to confront and end homelessness in the community. The McHenry County CoC is unusual in that is completely volunteer-driven, with peripheral grants issued to tend to data collection, financial management, and planning. Only 4% of CoC's nationally are set up in this manner. The terms 'Collaboration' and 'Competition' are widely used within the CoC. The Collaboration, or Collaborative Application, is a formal document submitted to HUD, usually annually. It provides an overall application for the community's annual support and describes the community's overall response. The term "Competition" is widely used for describing a CoC funding notice, and the ensuing funding allocation strategy that the CoC is required to complete.

The matter, as stated, will certainly be brought to the attention of the CoC's governing board.

The clients placed into TBRA are part of a larger response to the COVID-19 pandemic. The purpose of these placements was to significantly reduce the population prone to shelter in the community. This reduced the overall street homeless population in light of the opening of a larger, fixed-site shelter, and responded to the need to keep the street homeless population down in order to prevent overcrowding.

Through both the CDBG and ESG Programs, additional support will be provided for case management, mental health services, credit counseling and repair, legal services, and rental and mortgage assistance. At the time of writing this response, the County has not gone into any agreements with HUD or the State of Illinois for CDBG or ESG funds. However, Community Development staff are aware of the significant need for supportive services for these clients as was learned through the Homelessness Prevention and Rapid Rehousing Program rollout in 2009. Case management staff have been deployed to the sites to work with TBRA clients as they have been phasing out of the emergency motel shelter.

A mentorship-type program as described in this comment exists in Kane County, and can likely act as a model for a volunteer-based approach. This would assist in expanding the very limited resources available in McHenry County.

It should be noted that McHenry County is the largest county within the State of Illinois that did not receive its own allocation of Coronavirus Relief Fund dollars through the CARES Act, instead relying on a pass-through allocation from the State. This allocation did not provide the level of relief McHenry County needs in order to meet all the demand for additional services, thus making volunteer programs and effectively allocating CDBG and ESG funding that much more challenged.

Terry Willcockson
Woodstock, IL

McHenry County is a CDBG entitlement county that was recently notified of an additional \$1.4 million in delayed CARES Act funding to be administered through CDBG. They are soliciting input on disposition of this additional funding.

Numerous funding programs have been offered to communities to assist hard-hit small businesses in retail, recreation, food and personal service, hospitality and entertainment sectors, and rightfully so. Many of these businesses in Illinois were closed for weeks or months and cannot afford staffing and expenses to reopen with indoor capacity limitations still in place going into the colder months.

However, one industry that continues to be absent from financial assistance consideration is one most vulnerable to direct pandemic assault—senior assisted living and dementia care residential facilities. These facilities have been under attack by this virus for six months, requiring significant unbudgeted expenditures for PPE supplies and medical assistance; for additional staff training and hiring to manage new protocols and policies for residents; and, to provide ongoing communications to reassure distanced families about loved ones they can no longer visit. Through all this, these dedicated health providers are working non-stop, under incredibly stressful conditions, to provide hands-on comfort and care to those who cannot care for themselves. Many residents in these facilities are on hospice care with serious health concerns and limited time already. Consumer demand, often with waiting lists, would typically result in readily-filled vacancies. This anticipated flow of customers is now being severely reduced, with families reluctant to move loved ones into congregate living facilities due to continued pandemic concerns nationwide.

As you know, Woodstock is a proud participant in the Age Friendly Livable Community program and is working hard to provide an appropriate level of services and resources to meet the needs of our increasing senior demographic. It is hoped that additional funding sources that may be forthcoming in the remainder of 2020 could be allocated to eligible senior residential facilities to assist this very deserving industry in its greatest time of need. Thank you.

CDBG-CV funds, the subject of Substantial Amendment 2, are designed by Congress to “Prevent, Prepare for, and Respond to Coronavirus.”

Depending on the nature of the public facility serving the clients identified in the comment, PPE supplies and other expenses that are utilized in response to COVID-19 and prevent additional outbreaks are eligible expenses under this funding. The factor in question would be the non-profit status of the facility. The use of the funds for this purpose would qualify as a Public Service if the facility is a non-profit organization. Seniors would commonly qualify as presumed-benefit limited clientele for these services.

In general, CDBG funding may be used in a limited capacity to assist in the development of affordable housing. In fact, this has been the case with two affordable housing projects with tax credits that have been developed in the County. Both of these are designated for senior populations.

In general, CDBG funding may also be used for the renovation of buildings for public facility use.

Depending on the nature of the request, funding for affordable housing and public facilities for seniors may be eligible under CDBG-CV funding.

Jim Brockway
Jimmy’s Music
Woodstock, IL

I feel grateful that my business is located in a town like Woodstock that cares enough to help out. My music store is located on the square, where I've seen some of the businesses not make it through this tuff time. I hope that this extra help can prevent any more closures, especially on the square. I would definitely use the grant to increase my staff of teachers by adding other instrument instruction. I would also like to hire a couple high school students to work part time and help with the day to day duties. Since the closures in March I have had an increase of people contacting me asking if we were hiring. Unfortunately we were not in a position to hire. Thank you for your time and your help.

The proposed strategy would allow for grants to be issued for transformational type purposes. This proposal might include the addition of staff and a change to the business model to help improve the economic landscape of the business.

**MM Graff
M's Organic Farm
Woodstock, IL**

I am looking at transition from market farmer to CSA farmer.

1. what is the amount of the grant that would be given? or what is the range? (how is it determined)
2. I understand that if you receive a grant \$ from you that we are not allowed to apply for EIDL, should it become available again. (if we apply to your grant program, and do not receive are we held to the same rule?)
3. We NOW qualify to apply for CFAP since they changed the loss timeframes. How does applying or receiving a Grant from you impact that?
4. the biggest challenge for our transition: supplies, education, reliable transportation for deliveries, possible part time (no need for full time) labour , lease/rent, advertisement. Any grant monies would be pushed to some or all of the above listed.
5. In my opinion, 35 grants @ \$10K would be a better use of the grant money with no requirement no new employees , especially for small farms.

- 1. The proposed strategy suggests seven (7) or more competitive transformational grants of \$50,000 to businesses to assist in a major shift in assisting the business to survive and thrive. It is determined by the requested amount potentially minus awards provided by local municipalities, the County's Small Business Stabilization Grant Program, EIDL, CFAP, the Business Interruption Grant (BIG) from the State of Illinois, and other programs that may contradict this funding.*
- 2. The Small Business Administration would be able to explain their funding rules as it relates to applying for various programs. This program is funded under CDBG. If awarded funding, we potentially would deduct any grant awarded under EIDL. An*

application for EIDL would not preclude the ability to apply for CDBG. We would need to await the EIDL response before any final decision is made. This information is all required submission materials for the CDBG grant application.

- 3. Based on the description of CFAP, any award through that program would potentially reduce the eligible application amount for CDBG in order to commit to the maximum subsidy of \$50,000.*
- 4. All expenses listed are eligible, as long as the major focus is the transformation of the business. For job creation/retention, 1.0 Full Time Equivalent (FTE) could be created from two or more part-time employees that add up to 1.0 FTE.*
- 5. The \$10,000 level would not require the job creation requirement, as this would be deemed a "Microenterprise" award. This would limit the smaller award to businesses with five or fewer employees, one of whom is the owner. The Microenterprise awards tend to work better in Low and Moderate income areas in which at least 44.61% of the population is Low and Moderate Income (below 80% of the Area Median Income). Because of these requirements, a small number of Microenterprise awards would make sense, but might actually prove limiting to more rurally-located businesses. It is likely that a smaller number of Microenterprises will be a small part of the project portfolio.*

R. W. Del Olmo
Managing Member
MASTERBOLT LLC

My goal is be at a minimum 90% minority employment which includes me. MASTERBOLT LLC is wholly owned by me and it is a minority disadvantaged enterprise. I plan on having nightly classes in the factory to train through seminars:

- (a) college students and
- (b) people that need work and are unemployed. All seminars will be for free.

How is that for a goal for 2021?

This goal makes sense for confronting unemployment, especially among traditionally disadvantaged populations. A transformational economic development grant in response to COVID-19 could be sought to support the expansion of the business. Another suggestion might be to coordinate with the County's Workforce Network to help with locating new employees and possibly coordinate the training efforts. Non-profit organizations and municipalities have the ability to utilize CDBG funds for job training programs, although more commonly under the annual CDBG allocation.

Tony Gamboa

I tried to apply last round only to be overcome by the shear amount of paperwork you required!!!
I need help not to fill out 3days of paperwork!!!

Our apologies that the application process is extensive and somewhat intrusive. We have resorted to an online system for the collection of information, and attempted to ensure we remained in contact with applicants. Community Development staff are required to demonstrate

a National Objective and public benefit for CDBG federal funding. This ensures that the use of taxpayer funding is utilized appropriately and that the funds are governed according to specifications.

**Scott Block, Executive Director
McHenry County Mental Health Board
Crystal Lake, IL**

I propose that the CDBG-CV Round 3A funding include support for credit counseling and financial literacy. With the additional availability of CDBG funding, and diminishing local revenues, clients who have experienced setbacks to their finances as a result of COVID-19 can continue to access these important community services. With the lack of a Public Services cap on CDBG-CV funds, there is a real opportunity to support these services in the short term.

Credit Repair, Credit Counseling, and Financial literacy will all be eligible expenses as geared toward preventing homelessness. CDBG-CV funds are not subject to a Public Services cap of 15%, thereby making it reasonable to include these activities.